

107TH CONGRESS  
1ST SESSION

# H. R. 2538

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IN THE SENATE OF THE UNITED STATES

DECEMBER 6, 2001

Received; read twice and referred to the Committee on Small Business and  
Entrepreneurship

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## AN ACT

To amend the Small Business Act to expand and improve the assistance provided by Small Business Development Centers to Indian tribe members, Alaska Natives, and Native Hawaiians.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Native American Small  
3 Business Development Act”.

4 **SEC. 2. FINDINGS AND PURPOSES.**

5       (a) FINDINGS.—Congress finds the following:

6           (1) Approximately 60 percent of Indian tribe  
7 members and Alaska Natives live on or adjacent to  
8 Indian lands, which suffer from an average unem-  
9 ployment rate of 45 percent.

10          (2) Indian tribe members and Alaska Natives  
11 own more than 197,000 businesses and generate  
12 more than \$34,000,000,000 in revenues. The service  
13 industry accounted for 17 percent of these busi-  
14 nesses (of which 40 percent were engaged in busi-  
15 ness and personal services) and 15.1 percent of their  
16 total receipts. The next largest was the construction  
17 industry (13.9 percent and 15.7 percent, respec-  
18 tively). The third largest was the retail trade indus-  
19 try (7.5 percent and 13.4 percent, respectively).

20          (3) The number of businesses owned by Indian  
21 tribe members and Alaska Natives grew by 84 per-  
22 cent from 1992 to 1997, and their gross receipts  
23 grew by 179 percent in that period. This is com-  
24 pared to all businesses which grew by 7 percent, and  
25 their total gross receipts grew by 40 percent, in that  
26 period.

1           (4) The Small Business Development Center  
2           program is cost effective. Clients receiving long-term  
3           counseling under the program in 1998 generated ad-  
4           ditional tax revenues of \$468,000,000, roughly 6  
5           times the cost of the program to the Federal Gov-  
6           ernment.

7           (5) Using the existing infrastructure of the  
8           Small Business Development Center program, small  
9           businesses owned by Indian tribe members, Alaska  
10          Natives, and Native Hawaiians receiving services  
11          under the program will have a higher survival rate  
12          than the average small business not receiving such  
13          services.

14          (6) Business counseling and technical assist-  
15          ance is critical on Indian lands where similar serv-  
16          ices are scarce and expensive.

17          (7) Increased assistance through counseling  
18          under the Small Business Development Center pro-  
19          gram has been shown to reduce the default rate as-  
20          sociated with lending programs of the Small Busi-  
21          ness Administration.

22          (b) PURPOSES.—The purposes of this Act are as fol-  
23          lows:

24                (1) To stimulate economies on Indian lands.

1           (2) To foster economic development on Indian  
2       lands.

3           (3) To assist in the creation of new small busi-  
4       nesses owned by Indian tribe members, Alaska Na-  
5       tives, and Native Hawaiians and expand existing  
6       ones.

7           (4) To provide management, technical, and re-  
8       search assistance to small businesses owned by In-  
9       dian tribe members, Alaska Natives, and Native Ha-  
10      waiians.

11          (5) To seek the advice of the governing bodies  
12      of Indian tribes, corporations organized pursuant to  
13      the Alaska Native Claims Settlement Act and other  
14      Alaska Native entities, and Native Hawaiian organi-  
15      zations on where small business development assist-  
16      ance is most needed.

17          (6) To ensure that Indian tribe members, Alas-  
18      ka Natives, and Native Hawaiians have full access  
19      to existing business counseling and technical assist-  
20      ance available through the Small Business Develop-  
21      ment Center program.

1 **SEC. 3. SMALL BUSINESS DEVELOPMENT CENTER ASSIST-**  
2 **ANCE TO INDIAN TRIBE MEMBERS, ALASKA**  
3 **NATIVES, AND NATIVE HAWAIIANS.**

4 (a) IN GENERAL.—Section 21(a) of the Small Busi-  
5 ness Act (15 U.S.C. 648(a)) is amended by adding at the  
6 end the following:

7 “(7) ADDITIONAL GRANT TO ASSIST INDIAN  
8 TRIBE MEMBERS, ALASKA NATIVES, AND NATIVE HA-  
9 WAIANS.—

10 “(A) IN GENERAL.—Any applicant in an  
11 eligible State that is funded by the Administra-  
12 tion as a Small Business Development Center  
13 may apply for an additional grant to be used  
14 solely to provide services described in subsection  
15 (c)(3) to assist with outreach, development, and  
16 enhancement of small business startups and ex-  
17 pansions that are owned by Indian tribe mem-  
18 bers, Alaska Natives, or Native Hawaiians and  
19 that are located in Alaska or Hawaii, or on In-  
20 dian lands in the 48 contiguous States.

21 “(B) ELIGIBLE STATES.—For purposes of  
22 subparagraph (A), an eligible State is a State  
23 that has a combined population of Indian tribe  
24 members, Alaska Natives, and Native Hawai-  
25 ians that comprises at least 1 percent of the

1 State's total population, as shown by the latest  
2 available census.

3 “(C) GRANT APPLICATIONS.—An applicant  
4 for a grant under subparagraph (A) shall sub-  
5 mit to the Associate Administrator an applica-  
6 tion that is in such form as the Associate Ad-  
7 ministrator may require. The application shall  
8 include information regarding the applicant's  
9 goals and objectives for the services to be pro-  
10 vided using the grant, including—

11 “(i) the capability of the applicant to  
12 provide training and services to a rep-  
13 resentative number of Indian tribe mem-  
14 bers, Alaska Natives, and Native Hawai-  
15 ians;

16 “(ii) the location of the Small Busi-  
17 ness Development Center site proposed by  
18 the applicant;

19 “(iii) the required amount of grant  
20 funding needed by the applicant to imple-  
21 ment the program; and

22 “(iv) the extent to which the applicant  
23 has consulted with the governing bodies of  
24 Indian tribes, corporations organized pur-  
25 suant to the Alaska Native Claims Settle-

1           ment Act and other Alaska Native entities,  
2           and Native Hawaiian organizations, as ap-  
3           propriate.

4           “(D) APPLICABILITY OF GRANT REQUIRE-  
5           MENTS.—An applicant for a grant under sub-  
6           paragraph (A) shall comply with all of the re-  
7           quirements of this section, except that the  
8           matching funds requirements of paragraph  
9           (4)(A) shall not apply.

10          “(E) MAXIMUM AMOUNT OF GRANTS.—No  
11          applicant may receive more than \$300,000 in  
12          grants under this paragraph in a fiscal year.

13          “(F) REGULATIONS.—After providing no-  
14          tice and an opportunity for comment and after  
15          consulting with the Association recognized by  
16          the Administration pursuant to paragraph  
17          (3)(A) (but not later than 180 days after the  
18          date of enactment of this paragraph), the Ad-  
19          ministrator shall issue final regulations to carry  
20          out this paragraph, including regulations that  
21          establish—

22                 “(i) standards relating to educational,  
23                 technical, and support services to be pro-  
24                 vided by Small Business Development Cen-

1           ters receiving assistance under this para-  
2           graph; and

3           “(ii) standards relating to any work  
4           plan that the Associate Administrator may  
5           require a Small Business Development  
6           Center receiving assistance under this  
7           paragraph to develop.

8           “(G) DEFINITIONS.—In this paragraph,  
9           the following definitions apply:

10           “(i) ASSOCIATE ADMINISTRATOR.—  
11           The term ‘Associate Administrator’ means  
12           the Associate Administrator for Small  
13           Business Development Centers.

14           “(ii) INDIAN LANDS.—The term ‘In-  
15           dian lands’ means, in the 48 contiguous  
16           States, land that is a ‘reservation’ for the  
17           purposes of section 4 of the Indian Child  
18           Welfare Act of 1978 (25 U.S.C. 1903) and  
19           land that is an ‘Indian reservation’ for the  
20           purposes of section 151.2 of title 25, Code  
21           of Federal Regulations (as in effect on the  
22           date of enactment of this paragraph).

23           “(iii) INDIAN TRIBE.—The term ‘In-  
24           dian tribe’ means a federally recognized  
25           Indian tribe.



1           “(iv) INDIAN TRIBE MEMBER.—The  
2           term ‘Indian tribe member’ means an indi-  
3           vidual who is a member of an Indian tribe.

4           “(v) ALASKA NATIVE.—The term  
5           ‘Alaska Native’ means an individual who  
6           is—

7                   “(I) a ‘Native’ for the purposes  
8                   of section 3(b) of the Alaska Native  
9                   Claims Settlement Act (43 U.S.C.  
10                  1602(b));

11                  “(II) a descendent of an indi-  
12                  vidual who is a ‘Native’ for the pur-  
13                  poses of section 3(b) of the Alaska  
14                  Native Claims Settlement Act (43  
15                  U.S.C. 1602(b)); or

16                  “(III) a Tsimshian Indian who is  
17                  an enrolled member of the Metlakatla  
18                  Indian Community.

19           “(vi) NATIVE HAWAIIAN.—The term  
20           ‘Native Hawaiian’ means any individual  
21           who is a descendant of the aboriginal peo-  
22           ple, who prior to 1778, occupied and exer-  
23           cised sovereignty in the area that now con-  
24           stitutes the State of Hawaii.

1           “(H) AUTHORIZATION OF APPROPRIA-  
 2           TIONS.—There is authorized to be appropriated  
 3           to carry out this paragraph \$7,000,000 for each  
 4           of fiscal years 2002 through 2004.

5           “(I) FUNDING LIMITATIONS.—

6                   “(i) NONAPPLICABILITY OF CERTAIN  
 7           LIMITATIONS.—Funding under this para-  
 8           graph shall be in addition to the dollar  
 9           program limitations specified in paragraph  
 10          (4).

11                   “(ii) LIMITATION ON USE OF  
 12          FUNDS.—The Administration may carry  
 13          out this paragraph only with amounts ap-  
 14          propriated in advance specifically to carry  
 15          out this paragraph.”.

16 **SEC. 4. STATE CONSULTATION WITH LOCAL TRIBAL COUN-**  
 17 **CILS.**

18          Section 21(c) of the Small Business Act (15 U.S.C.  
 19          648(c)) is amended by adding at the end the following:

20           “(9) ADVICE OF GOVERNING BODIES OF INDIAN  
 21          TRIBES, ALASKA NATIVE CORPORATIONS AND OTHER  
 22          ENTITIES, AND NATIVE HAWAIIAN ORGANIZA-  
 23          TIONS.—A State receiving grants under this section  
 24          shall request the advice of the governing bodies of  
 25          Indian tribes, corporations organized pursuant to

1 the Alaska Native Claims Settlement Act and other  
2 Alaska Native entities, and Native Hawaiian organi-  
3 zations, as appropriate, on how best to provide as-  
4 sistance to Indian tribe members, Alaska Natives,  
5 and Native Hawaiians and where to locate satellite  
6 centers to provide such assistance.”.

Passed the House of Representatives December 5,  
2001.

Attest:

JEFF TRANDAHL,  
*Clerk.*